

MEMORANDUM

DECLASSIFIED  
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December 18, 2008

THE WHITE HOUSE

WASHINGTON

August 26, 1975

MEMORANDUM FOR: GENERAL SCOWCROFT

FROM: MALCOLM BUTLER

SUBJECT: President's Meeting with Ambassador  
Moynihan, 2:00 p.m., Wednesday,  
August 27, 1975

I understand this meeting was originally scheduled as a pro forma appointment for a new ambassador with the President, but there are additional items of which you should be aware.

First, following the August 9 EPB meeting on European economic issues, John Dunlop proposed that a working group on these issues be formed. The President has now approved this proposal, and it was "suggested" that Moynihan be added to the group (memo at Tab A). It is not clear who in the White House urged his inclusion in the working group; Moynihan is not an expert on European affairs, and his responsibilities at the UN will continue to focus heavily on US relations with the developing countries. Bob Hormats has sent you his own ideas on the issues which this working group could fruitfully address (memo at Tab B).

Second, Moynihan may use the meeting with the President to emphasize the importance of the initiatives which Secretary Kissinger will announce in his address at the Seventh Special Session. Obviously we agree that these initiatives are important, but you should also be aware that Moynihan's personal priorities may be different from those of the Secretary. We may wish to make our own points in support of the two proposals with budgetary implications which have not yet received Presidential approval. (OMB is currently preparing a memo to the President on these items.) For your information, these items are:

-- International Fund for Agricultural Development (IFAD) --  
OMB's budgetary concern -- outlays of \$5 million in 1976 and \$30 million in 1977 -- should not be allowed to block this initiative. It has strong

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Congressional support, and it represents an important joint undertaking with the OPEC countries. (They would contribute \$600 million compared to our \$200 million.)

-- Tin Agreement -- The EPB/NSC task force on commodities has concluded that the international tin agreement has no significant economic costs or benefits. The political advantages of participating, however, would be enormous in that it will demonstrate that our willingness to review commodity agreements case-by-case is not a hollow promise.

-- International Finance Corporation (IFC) -- An increase of the IFC's paid in capital would allow it to play a catalytic role within the World Bank Group in emphasizing private enterprise, particularly in the development of mineral resources. This would cost nothing in 1976 and only \$33-42 million in 1977.

Finally, it may be that Moynihan will take this opportunity to bring before the President his personal views on our UN strategy; these are occasionally somewhat harder line than those of the Secretary. Moynihan has, for example, urged stronger retaliation against those not voting with us in the UN than the Secretary has been willing to approve; the Puerto Rico vote is an example. He also seems to be looking anxiously for an opportunity to express the hard-hitting "loyal opposition" theme of this Commentary article, and the Secretary has pulled him back; the Vietnam-Korea issue was not the appropriate vehicle. In general, Moynihan tends to see things more in a black-and-white, with-us-or-against-us fashion than in the Secretary's multidimensional, shades-of-grey framework. It is important, therefore, that the President stress that Moynihan's original and creative thinking be carefully coordinated with the Secretary's policy thrust.

#### RECOMMENDATION

That you forward the Presidential talker at Tab I.